



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

The Financial Examination of
**MASON GENERAL HOSPITAL
FOUNDATION**

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No. G05-03

FINDINGS, CONCLUSIONS,
AND ORDER ADOPTING REPORT
OF
FINANCIAL EXAMINATION

A Domestic Charitable Gift Annuity Issuer. _____

BACKGROUND

An examination of the financial condition of **MASON GENERAL HOSPITAL FOUNDATION** (the Foundation) as of December 31, 2003, was conducted by examiners of the Washington State Office of the Insurance Commissioner (OIC). The Foundation holds a Washington certificate of exemption to issue charitable gift annuities. This examination was conducted in compliance with the laws and regulations of the state of Washington and in accordance with the procedures promulgated by the National Association of Insurance Commissioners and the OIC.

The examination report with the findings and instructions was transmitted to the Foundation for its comments on December 28, 2004. As of this date, the Foundation has not responded.

The Commissioner or a designee has considered the report, the relevant portions of the examiners work papers, and submissions by the Foundation.

FINDINGS

Findings in Examination Report. The Commissioner adopts as findings the findings of the examiners as contained in pages 1 through 7 of the report.

MASON GENERAL HOSPITAL FOUNDATION

Order Adopting Examination Report

August 29, 2005

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CONCLUSIONS

It is appropriate and in accordance with law to adopt the attached examination report as the final report of the financial examination of **MASON GENERAL HOSPITAL FOUNDATION** and to order the Foundation to take the actions described in the Instructions section of the report. The Commissioner acknowledges that the Foundation may have implemented the Instructions prior to the date of this order. The Instructions in the report are an appropriate response to the matters found in the examination.

ORDER

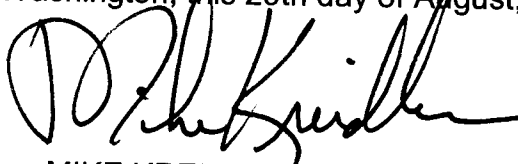
The examination report as filed, attached hereto as Exhibit A, and incorporated by reference, is hereby ADOPTED as the final examination report.

The Foundation is ordered as follows, these being the Instructions contained in the examination report on pages 1-2.

1. Pursuant to Chapter 48.38 RCW, the Foundation is ordered to develop a system for accounting and reporting of its charitable gift annuity business to ensure its compliance with the principles or practices prescribed or permitted by Chapter 48.38 RCW. The system should include procedures for review, by staff other than the report preparer, to ensure the completeness and accuracy of the Annual Report. Instruction 1, Examination Report, page 2.
2. The Foundation is ordered to maintain, at all times, the required minimum unrestricted net assets to ensure compliance pursuant to RCW 48.38.010(6). Instruction 2, Examination Report, page. 2.
3. Pursuant to RCW 48.38.010, the Foundation is ordered to have in its possession all original annuity contracts issued to annuitants. Instruction 3, Examination Report, page 2.

IT IS FURTHER ORDERED THAT, the Foundation file with the Chief Examiner, within 90 days of the date of this order, a detailed report specifying how the Foundation has addressed each of the requirements of this order.

ENTERED at Olympia, Washington, this 29th day of August, 2005.



MIKE KREIDLER
Insurance Commissioner